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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/864,198	05/25/2001	Nicholas H. Des Champs		1689

7590 04/18/2005  
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EXAMINER

FADOK, MARK A

ART UNIT PAPER NUMBER

3625

DATE MAILED: 04/18/2005

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/864,198  
Filing Date: May 25, 2001  
Appellant(s): DES CHAMPS, NICHOLAS H.

**RECEIVED**  
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**GROUP 3596**

\_\_\_\_\_  
Mr. Clyde I. Coughenour  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed January 24, 2005.

**(1) *Real Party in Interest***

A statement identifying the real party in interest is contained in the brief.

**(2) *Related Appeals and Interferences***

A statement identifying the related appeals and interferences, which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

**(3) *Status of Claims***

The statement of the status of the claims contained in the brief is correct.

**(4) *Status of Amendments After Final***

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) *Summary of Invention***

The summary of invention contained in the brief is correct.

**(6) *Issues***

The appellant's statement of the issues in the brief is correct.

**(7) Claims Appealed**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Prior Art of Record**

20010049634

Stewart

12-2001

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

Claims 1-17 rejected under 35 U.S.C. 103. This rejection is set forth in a prior Office Action, mailed on 12/23/2004.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 1-17 are unpatentable under 35 U.S.C. 103(a) over Stewart (2001/0049634) in view of Official Notice.**

In regards to claims 1-17, Stewart discloses all the elements of the instant invention except as follows: Stewart teaches the sale of materials through an intermediary to a buyer (see summary and drawing), where the seller may also be the manufacturer of secondary fabricated parts (page 1, para 0009) through a negotiation means for negotiation of desired products (page 6, para 0082).

Stewart does not, however, specifically mention that the method is specifically used for scrap reduction. It was old and well known in the art at the time of the invention that selling products that are available and saleable is a prudent method of reducing

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scrap. It would have been obvious to a person having ordinary skill in the art to include in Stewart selling, for instants, portions of a steel slabs that did not get sold, because scrapping the remainder of the slab, if say, a quarter of it were sold would be imprudent, since the remainder of the slab should carry the similar value and would thus increase revenue.

### **(10) Response to Argument**

#### **Claim 1:**

Applicant argues that the use of the phrase "A scrap reduction procedure" found only in the preamble establishes a patentable feature and that the examiner did not give proper consideration to this purported feature. The examiner disagrees and directs the appellant's attention to the following excerpt from the MPEP. The examiner contends that the intended use/benefit of scrap reduction does not in fact add a structural difference to the claimed features and is therefore considered to carry little patentable weight in the function of the claimed invention.

#### **MPEP 2111.02[R-2] - PREAMBLE STATEMENTS RECITING PUR-POSE OR INTENDED USE**

The claim preamble must be read in the context of the entire claim. The determination of whether preamble recitations are structural limitations or mere statements of purpose or use "can be resolved only on review of the entirety of the [record] to gain an understanding of what the inventors actually invented and intended to encompass by the claim." *Corning Glass Works*, 868 F.2d at 1257, 9 USPQ2d at 1966. If the body of a claim fully and intrinsically sets forth all of the limitations of the claimed invention, and the preamble merely states, for example, the purpose or intended use of the invention, rather than any distinct definition of any of the claimed invention's limitations, then the preamble is not considered a limitation and is of no significance to claim construction. *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1305, 51 USPQ2d 1161, 1165 (Fed. Cir. 1999). See also *Rowe v. Dror*, 112 F.3d 473, 478, 42 USPQ2d 1550, 1553 (Fed. Cir. 1997) ("where a patentee defines a structurally complete invention in the claim body and uses the preamble only to state a purpose or intended use for the invention, the preamble is not a claim limitation"); *Kropa*

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v. Robie, 187 F.2d at 152, 88 USPQ2d at 480-81 (preamble is not a limitation where claim is directed to a product and the preamble merely recites a property inherent in an old product defined by the remainder of the claim); STX LLC. v. Brine, 211 F.3d 588, 591, 54 USPQ2d 1347, 1350 (Fed. Cir. 2000) (holding that the preamble phrase "which provides improved playing and handling characteristics" in a claim drawn to a head for a lacrosse stick was not a claim limitation). Compare > Jansen v. Rexall Sundown, Inc., 342 F.3d 1329, 1333-34, 68 USPQ2d 1154, 1158 (Fed. Cir. 2003) (In a claim directed to a method of treating or preventing pernicious anemia in humans by administering a certain vitamin preparation to "a human in need thereof," the court held that the preamble is not merely a statement of effect that may or may not be desired or appreciated, but rather is a statement of the intentional purpose for which the method must be performed. Thus the claim is properly interpreted to mean that the vitamin preparation must be administered to a human with a recognized need to treat or prevent pernicious anemia.); < In re Cruciferous Sprout Litig., 301 F.3d 1343, 1346-48, 64 USPQ2d 1202, 1204-05 (Fed. Cir. 2002) (A claim at issue was directed to a method of preparing a food rich in glucosinolates wherein cruciferous sprouts are harvested prior to the 2-leaf stage. The court held that the preamble phrase "rich in glucosinolates" helps define the claimed invention, as evidenced by the specification and prosecution history, and thus is a limitation of the claim (although the claim was anticipated by prior art that produced sprouts inherently "rich in glucosinolates").) During examination, statements in the preamble reciting the purpose or intended use of the claimed invention must be evaluated to determine whether the recited purpose or intended use results in a structural difference (or, in the case of process claims, manipulative difference) between the claimed invention and the prior art. If so, the recitation serves to limit the claim. See, e.g., In re Otto, 312 F.2d 937, 938, 136 USPQ 458, 459 (CCPA 1963) (The claims were directed to a core member for hair curlers and a process of making a core member for hair curlers. Court held that the intended use of hair curling was of no significance to the structure and process of making.); In re Sinex, 309 F.2d 488, 492, 135 USPQ 302, 305 (CCPA 1962) (statement of intended use in an apparatus claim did not distinguish over the prior art apparatus). If a prior art structure is capable of performing the intended use as recited in the preamble, then it meets the claim. See, e.g., In re Schreiber, 128 F.3d 1473, 1477, 44 USPQ2d 1429, 1431 (Fed. Cir. 1997) (anticipation rejection affirmed based on Board's factual finding that the reference dispenser (a spout disclosed as useful for purposes such as dispensing oil from an oil can) would be capable of dispensing popcorn in the manner set forth in appellant's claim 1 (a dispensing top for dispensing popcorn in a specified manner)) and cases cited therein. See also MPEP § 2112 - § 2112.02.

In response to appellant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning ("exaggerated personal

opinions", appellants brief page 12, last paragraph), it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

Further in regards to Official Notice, the appellant points to paragraph 0093 of Stewart and notes that this is the only mention of scrap in the Stewart reference, the examiner has considered this portion of Stewart and concludes that Stewart clearly teaches the sale of "potential scrap" (see appeal brief page 7, first paragraph) in a secondary market for lower quality products that could not be sold in primary markets and could "potentially" be scrapped.

It is also noted by the examiner that it could be argued that since the product never becomes scrap then it is a salable product as defined by the appellant in the appeal brief page 7 last sentence. Thus the examiner contends that the idea of "potential scrap" is hypothetical and not a positive assertion, since according to the instant invention the manufacturer always intended to sell the excess material and has therefore forgone the scrap decision meaning that the claim is not a scrap reduction

procedure, but a revenue enhancing procedure, as noted by the examiner in the previous office action, through the sale of excess inventory (see Stewart para 0089).

Appellant argues that Stewart does not teach "a repository for collecting information on materials from first fabricating parties". The examiner disagrees and notes that the metal site catalog in FIG 1 clearly teaches this feature.

Appellant argues that Stewart does not teach "a repository for collecting information on material needs of second user parties". The examiner disagrees and directs the appellant's attention to page 6, para. 0081 and the member's profile that designates what type of products the buyer is interested in purchasing.

Appellant argues that Stewart does not teach communication of material information needs between two users. The examiner disagrees and directs the appellant's attention to FIG 3, which clearly shows an interactive process that transfers information between active buyers and sellers interested in doing business together (see also para 90, buyer RFQ).



**Claims 2,4,5, and 8**

Appellant argues that Stewart does not teach the additional step of a first manufacturer performing work for second parties. The examiner disagrees and directs the appellant's attention to para 0101, "made to order products".

**Claims 9,10,11 and 17**

Appellant argues that Stewart does not teach "the additional step of a first manufacturer and a second manufacturer making parts for a second manufacturer getting together or collaborating to reduce the first manufacturer's scrap". The invention of Stewart is clearly directed to a method and system where two entities, a buyer and a seller, get together to buy/sell products. The manufacturer (seller) is clearly making parts for a buyer (second manufacturer) as is discussed above and at least in FIG 1 and para 0101. As far as the "reduction of the first manufactures scrap" statement is concerned, as discusses above this is considered intended use and is given little patentable weight by the examiner, although the examiner has indeed treated this purported limitation in the discussions above and in the previous office action.


Further, in response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., that "the system reduces the first manufacturer's scrap", the

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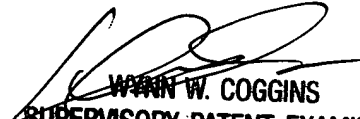
preamble does not define who or what entity is receiving the benefit of the scrap reduction) is not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,



Mark Fadok  
Patent Examiner  
April 7, 2005



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